

WHAT IS THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM?

The City of Riverside annually receives over \$3 million dollars in Community Development Block Grant (CDBG) funding from United States Department of Housing and Urban Development (HUD). The primary objective of the HUD CDBG Program is the development of viable communities by providing decent housing, a suitable living environment, and expanded economic opportunities primarily focused on low- and moderate-income persons and neighborhoods. The national objectives of the CDBG program were established to assist local communities with activities focused on:

- Eliminating slums and blight, preventing deterioration of property, providing needed neighborhood community facilities, provision of supportive services;
- Preserving and improving the supply of affordable housing through improvement of low- and moderate-income housing;
- Acquisition, design, construction, and installation of needed public facilities, improvements, and accessibility measures;
- Creation and retention of jobs for low- and moderate-income persons through the expansion of business opportunities and the provision of financial incentives to businesses.

HOW CAN CDBG FUNDS BE USED?

Federal regulations require that CDBG funds be used for eligible activities that meet one of three national objectives:

- Benefit to low- and moderate-income persons;
- Aid in the prevention or elimination of slums or blight; and
- Meet a need having a particular urgency

The City of Riverside uses its annual CDBG allocation to fund projects and activities undertaken by city departments and community-based non-profit agencies specifically to address the housing and community development needs of low- and moderate-income persons in the City of Riverside. CDBG funding can be used for a variety of activities to meet HUD statutory goals including but not limited to:

DECENT HOUSING - - which includes:

- assisting homeless persons obtain affordable housing;
- assisting persons at risk of becoming homeless;
- retention of affordable housing stock;
- increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability;

- increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence; and that is accessible to job opportunities.

A SUITABLE LIVING ENVIRONMENT - - which includes:

- improving the safety and livability of neighborhoods;
- increasing access to quality public and private facilities and services;
- reducing the isolation of income groups within areas through spatial de-concentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods;
- restoring and preserving properties of special historic, architectural, or aesthetic value; and
- conservation of energy resources.

EXPANDED ECONOMIC OPPORTUNITIES - - which includes:

- job creation and retention;
- establishment, stabilization and expansion of small businesses (including micro businesses);
- the provision of public services concerned with employment;
- the provision of jobs to low-income persons living in areas affected by those programs and activities or jobs resulting from carrying out activities under programs covered by the plan;
- availability of mortgage financing for low-income persons at reasonable rates using non-discriminatory lending practices;
- access to capital and credit for development activities that promote the long-term economic and social viability of the community; and
- empowerment and self-sufficiency for low-income persons to reduce generation poverty in federally assisted housing and public housing.

Under HUD CDBG regulations, at least 51% of those benefiting from CDBG funded activities must be low and moderate-income persons. Agencies and organizations receiving CDBG funding must be able to document that the individuals or households it serves fall within the HUD income limits. The HUD income guidelines for the 2008/2009 program year are as follows:

2007 HOUSEHOLD INCOME LIMITS

	1 Person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
Extremely Low (30% & below)	\$12,450	\$14,200	\$16,000	\$17,750	\$19,150	\$20,600	\$22,000	\$23,450
Low-Income (between 30% to 50%)	\$20,700	\$23,700	\$26,650	\$29,600	\$31,950	\$34,350	\$36,700	\$39,050
Moderate Income (between 50% to 80%)	\$33,150	\$37,900	\$42,600	\$47,350	\$51,150	\$54,950	\$58,700	\$62,500

ELIGIBLE AND INELIGIBLE ACTIVITIES

The City of Riverside will only consider funding proposals for CDBG eligible activities that serve primarily low- and moderate-income persons residing in the City of Riverside. Funded activities or facilities must be available to all eligible persons in the general public. Not more than 15% of these funds can be used for public service projects.

The following activities are examples of eligible CDBG activities. Please note this list is not inclusive of all types of activities that may be eligible under the CDBG Program:

- Acquisition, construction or rehabilitation of neighborhood facilities for public use*;
- Acquisition, construction or rehabilitation of facilities for persons with special needs* (e.g. homeless persons, battered spouses, frail elderly, disabled adults, abused children, etc.);
- Construction or rehabilitation of housing units for low-moderate-income persons*;
- Economic development activities that create full-time jobs for low- and moderate-income persons;
- Health care and substance abuse services;
- Child care and after-school programs;
- Transitional housing and supportive services for the homeless;
- Crime prevention activities;
- Parks, playgrounds, and recreational facilities;
- Senior and disabled centers, except 24-hour care facilities;
- Removal of architectural barriers, which restrict mobility of persons with disabilities;

* Please note that applicants for capital project funding must own the property to be assisted.

The following activities are examples of ineligible CDBG activities. Please note this list is not inclusive of all types of services that may be ineligible under the CDBG Program:

- General government expenses
- Political activities
- Religious activities
- Purchase of construction equipment
- Purchase of equipment*, fixtures, motor vehicles, furnishings, or other personal property that is not an integral structural fixture

**Equipment is defined as nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more.*